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ABSTRACT

The learning organization has been promoted as providing a viable blueprint for an integrated approach to training and development. According to the literature on employer provision of lifelong learning opportunities in the United Kingdom (U.K.), relatively few U.K. work organizations have or are about to become learning organizations. Opportunities to participate in employer-provided lifelong learning activities are especially limited for the following groups: workers in lower-status occupations; workers on "atypical contracts" (workers with flexible schedules and part-time employees); employees of small and medium enterprises; older workers; and workers with relatively low skills and qualifications. Research shows that many U.K. employers perceive clear disadvantages in training workers in lower occupational groups above and beyond the immediate task. Neither have U.K. employers generally embraced individual learning accounts, to which the government hopes employers will be willing to contribute. Among the reasons underlying this lack of employer support for lifelong learning are firms' product market strategies, the persistence of routinized forms of work organization and job design, and pressure for maximization of short-term profits. A new policy approach to lifelong learning is needed that addresses these reasons and considers the often-limited demand for higher levels of skill in the workplace. (Contains 43 references.) (MN)

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Learning Organisations, Lifelong Learning and the Mystery of the Vanishing Employers

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ABSTRACT

This paper reviews UK employers' provision of lifelong learning. It opens with an overview of the concept of the learning organisation and the barriers that stand in the way of its adoption, arguing that relatively few UK organisations have or are about to become learning organisations. It then examines the record on providing lifelong learning to its adult workforce, which suggests that certain groups of workers (part-timers, older workers, those in low status jobs, those working in SMEs, and the less well qualified) are at risk of receiving very little non-task specific training. The paper then highlights the dwindling role, which policy makers are according to employers in their strategies for lifelong learning. The structural factors that explain this picture are outlined, including firms' product market strategies, the impact of the structure of the domestic market, the persistence of routinised forms of work organisation and job design, and the pressure for the maximisation of short-term profits. The paper concludes with a plea for a different style and type of policy approach to lifelong learning, that engages with these issues and which addresses the often-limited demand for higher levels of skill in the workplace.

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Learning Organisations, Lifelong Learning and the Mystery of the Vanishing Employers

INTRODUCTION

This paper examines the role of employers in providing lifelong learning in the UK. Very often there is a dangerous tendency for discussions about lifelong learning to start with a range of more or less apocalyptic generalisations about the pace and scale of change in the modern world (technological, social, economic) and its effect in generating the need for unprecedented levels of upskilling and learning by all - for an example of this approach see many of the contributions to *Education Futures - Lifelong Learning* (RSA/Design Council, 2000). These assertions are only rarely supported by much in the way of fact. From there, the debate then moves straight on to discussing the means by which the massive potential demand for learning can best be met. This paper tries to take a different approach, and seeks to root its analysis in what we know about what is actually happening in UK workplaces and why particular patterns of learning opportunities exist. The picture that emerges is more complex, and less optimistic than more speculative accounts, and presents policy makers with a much more complex set of problems than simply designing new schemes to promote lifelong learning to individuals.

Much of the policy rhetoric about lifelong learning has stressed the critical role it plays in enhancing economic competitiveness, and, as a consequence, it has been widely believed that employers are willing to play a major role in equipping those they employ with enhanced skills - not merely in terms of task-specific training to improve performance in their current job, but also by providing wider, generic, transferable core or key skills that can support employability within a more volatile labour market. The vehicle for these developments, it is often assumed, is the development of learning organisations.

This paper will contend that these assumptions are, in large part, mistaken. It will also argue that relatively few UK organisations have or are about to become learning organisations and that large swathes of the adult workforce are not being provided with broader learning opportunities of any sort by their employers. This situation reflects, not an aberration or the result of irrational behaviour by employers, but a perfectly logical reflection of the skill needs of the vast mass of UK organisations. Finally, the paper will suggest that, as a result of the persistent inability of policy makers to directly confront employers' approaches to adult training, the expectation is that the state and individuals will have to step in to fill the gap.

It is important to underline that this paper focuses on the economic benefits that might stem from enhanced lifelong learning and how they are bound up with particular forms of competitive strategy and work organisation. Little is said about the wider social benefits that can accrue from lifelong learning or its role in helping change the lives of individuals. This absence should not be taken to suggest that the author believes such benefits to be unimportant important, merely that they are not seen by employers as being relevant when deciding on investment in training.

In terms of structure, the paper opens with a brief overview (drawing heavily on Keep and Rainbird, 2000) of the concept of the learning organisation and the barriers that stand in the way of its adoption as model for skills development in UK organisations. It then goes on to examine the record of UK employers in providing lifelong learning to their adult workforce and highlights the dwindling role which policy makers appear to be according to employers in their planning of lifelong learning policies. The structural factors that underpin this situation are then examined, and the paper concludes with a plea for different style and type of policy approach to dealing with the contribution that employers might make to lifelong learning.

THE LEARNING ORGANISATION - A CONCEPT IN SEARCH OF EXPONENTS?

The learning organisation (LO) has been promoted as providing a viable blueprint for an integrated approach to training and development. The definition of the LO used here is that supplied by Senge (1990:4), whereby the organisation is one "where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to learn together". It is argued by proponents of the concept that,

> the pressure of change in the external environments of organisations, whether manufacturing or service providers, whether public, private or voluntary, is such that they need to learn more consciously, more systematically, and more quickly than they did in the past....they must learn not only in order to survive but also to thrive in a world of ever increasing change and ever shortening predictability horizons, whether these are social, technological, political, local or global.
> (Pearn, 1997:11)

LO's Strengths

There are many features of the LO model that make it attractive to those interested in lifelong learning, such as its broadly emancipatory and inclusive language and its emphasis on organisational goals that transcend the pursuit of short-term profit maximisation (Pearn, 1997; Jones and Hendry, 1992). Furthermore, its stress on the social context within which learning is situated is a very useful antidote to current attempts to peddle an atomised, wholly individualistic approach to learning (Keep and Rainbird, 2000). Finally, the emphasis placed in the LO literature on the need to build learning and reflection into the routines and day-to-day culture of management activities and to see it as integral to the process of production is also important, because the frequent inability to achieve this goal has been one of the continuing failures of training in many UK organisations.

Problems and Weaknesses

Unfortunately, there are a number of problems and weaknesses with the concept, and a range of barriers that stand in the way of its widespread adoption in the UK. In terms of flaws and blindspots in the concept, the following can be highlighted:

- The LO model adopts an implicitly unitarist approach to power within the organisation, positing learning as win/win situation for all involved. This sits badly with the reality of knowledge and skills as a source of power and authority and the use of skills and qualifications as positional goods in the fight for scarce 'good jobs' (Keep, 1997; Keep and Rainbird, 2000:184) and with what we know about approaches towards lifelong learning are mediated by considerations of power and control (Coffield, 1999).

- The communitarian values espoused by much of the LO literature has at best limited resonance with line managers faced with pressures to minimise costs and maximise profits (Keep and Rainbird, 2000).

- There is an implicit belief that managers at all levels are both willing and capable of engaging in meaningful learning. Experience indicates that this is far from always being the case (Keep and Rainbird, 2000:186-7).

- One of the LO concept's key underlying assumptions is that competitive advantage springs from customisation, ceaseless innovation, and high specification, high quality goods and services delivered by flat, non-hierarchical organisations where workers enjoy considerable degrees of empowerment. As will be suggested below, the number of such organisations may be limited.

Barriers to the Adoption of the LO Model

Many of these are reviewed below when the paper explores the wider barriers to lifelong learning the workplace, and include factors such as stock market and investor pressure to realise short-term shareholder value and maximise profits; product market strategies that are built around the delivery of a narrow range of relatively standardised goods and services, and around price leadership; and the continuing existence of large swathes of employment where low trust, low involvement styles of people management co-exist with Taylorised forms of work organisation and job design where there is little room for genuine discretion, reflection, innovation or learning for those on the shopfloor/front-line.

To these problems might be added recent changes in the structure and direction of training provision in many organisations, such as devolution of responsibility for training to line managers and shifts towards the provision of training on a 'just-in-time/just-enough' basis, are tending to make learning opportunities more and more geared to the immediate task (Raper et al, 1997). As one academic commentator put it, "learning should contribute directly to the achievement of central corporate objectives and key priorities" (Coulson-Thomas, 1999:16). This leaves little space for 'blue skies' learning or training oriented towards social goals and such developments are undermining both wider training to support employability and organisations' capacity to evolve towards the type of sophisticated models of

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reflective learning required to make the learning organisation a reality (Raper et al, 1997).

The LO as a Concept Whose Time has Come and Gone

The number of UK organisations willing to identify themselves as aspiring to the status of a learning organisation has been limited. Moreover, a Tavistock Institute report on workplace training found few organisations that accorded with ideal and there was "a significant gap between the language or discourse of companies who viewed themselves as learning organisations and regarded people as their most important asset, and the actual practices of these companies" (1998:26). Work undertaken for the Institute of Personnel and Development (Scarbrough et al, 1998) indicates that interest in the LO concept has very clearly peaked and is now in sharp decline. Knowledge management is well on the way to supersede it as the dominant discourse in this area of debate. Knowledge management has a much less emancipatory agenda, and, at its crudest, might be described as extracting knowledge from the heads of employees, codifying it, and putting it in the hands of management to dispose of as just another corporate asset/commodity.

Given the powerful barriers that stand in the way of the concept of the learning organisation, it is hard to now see it acting as the vehicle for a revolution in employers' approaches to lifelong learning. Many of the difficulties that undermine the case for becoming a learning organisation are liable to impact on UK organisations' willingness to offer lifelong learning to all whom they employ. The next section, which examines the evidence on employer-provided education and training opportunities for the adult workforce suggests that this is indeed the case.

UK EMPLOYERS' RECORD ON PROVIDING LIFELONG LEARNING - THE SOUND OF ONE HAND CLAPPING?

An overview of the DfEE's Individual Commitment to Learning project reported that:

> The attitudes of most individuals towards lifelong learning were generally passive, with most adults who had left full-time education only contemplating further learning when approached by their employers about it.
>
> Consequently, policies for encouraging employers to involve all of their individual employees in a broad-based agenda of continuing learning must be a key part of any individual commitment to learning plan.
> (Tremlett and Park, 1995:36)

The key role played by the demands of employment and the labour market in motivating individuals to learn is a common theme in both the research and policy literature. This therefore places employers centre stage in acting as a catalyst for promoting lifelong learning.

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Employer-Provided Adult Learning Opportunities - An Outline of Its Distribution

Unfortunately, what we know about UK employers' investment in the training of their adult employees indicates that the potential of this catalytic role is, at best, patchy across the workforce as a whole. In overall terms, the Spring 1998 Labour Force Survey (LFS) recorded that 72 per cent of UK employees had received no training in the 13 weeks prior to interview. Of these, just under half (48 per cent) claimed that they had never been offered any type of training by their current employer (DfEE, 1998:33).

The groups within the workforce that generally fare particularly badly include:

- Lower status occupations. Those at the top of the occupational hierarchy, such as managers and professional workers, are far more likely to be offered training opportunities than those in semi-skilled and manual jobs (IFF, 1997; Metcalf, Walling and Fogerty, 1994).

- Those on 'atypical contracts. Flexible workers, particularly part-timers have consistently lower chances of being offered training of any sort by their employer (Tam, 1997; Galiie et al, 1998).

- Those working in SMEs. SMEs are less likely to offer formal training opportunities to their adult employees (Dench, 1993) and, if they do, they appear less willing for it to encompass non-task specific skills (Metcalf, Walling and Fogerty, 1994).

- Older workers

- The less well qualified

It should however be noted that the picture on the ground is extremely complex, and that even among low status occupational groups working in the same sector, the distribution of learning opportunities at work can vary enormously (Rainbird et al, 1999).

Besides the inequity of the distribution of opportunities, there are also grounds for concern about the scope and focus of employer-provided adult training. This can be located within a spectrum, ranging from very narrowly focussed, task-specific skills, and at the other aimed at training for promotion, the creation of general and transferable skills, and even learning opportunities that may not be geared in any direct way towards work (for example, the Ford Motor Company's famous EDAP scheme). What research shows is that the broader end of the spectrum tends to be on offer only to those in the upper reaches of the occupational ladder with those at the bottom receiving little except job-specific training - if they are lucky enough to get any training at all (Metcalf, Walling and Fogerty, 1994; Dench, 1993; Felstead, Green and Mayhew, 1997). For a more detailed overview of this picture, see Keep (1999) and STF (2000).

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This situation has important implications for national policy on lifelong learning. As Tremlett and Park note, "with most employer provided training being both job specific and targeted at those in certain occupations, for many employees the notion of full 'lifetime' learning remains just that - a notion" (1995:8). The inequitably distribution of wider training opportunities also renders meaningless the concept of employability, offering those most at risk of redundancy (those at the bottom of the occupational ladder) with the least opportunities for the type of broader, transferable training that might make transition to another job easier (Tampkin and Hillage, 1999).

POLICY RHETORIC AND POLICY REALITY - A DWINDLING ROLE FOR EMPLOYERS?

Given the levels of performance outlined above, policy makers might hope that better access to broader adult learning opportunities is an issue that employers are willing to seek to address. There are few signs that this is the case. The DfEE's survey of employer attitudes towards individual commitment to learning (Metcalf, Walling and Fogerty, 1994) indicated quite starkly that very few employers saw it as in any way their concern to provide non-job specific learning opportunities of any sort to their non-managerial workforce. Although employers appear to support the abstract concept of lifelong learning, it is apparent that few are enthusiastic about being encouraged or assisted in supporting more general, non-job specific training. They tend to see this type of lifelong learning activity as having nothing to do with them, and as being the responsibility of either the individual or the government. As one manager in a district council commented on the Ford EDAP scheme, "as a public sector organisation we are not into that sort of self-indulgent exercise. I don't think we have anything to learn from the Ford experience that would benefit the local community - not a good use of public resources at a time of stringency" (Metcalf, Walling and Fogerty, 1994:30).

Indeed, many employers perceive clear disadvantages in training those of their workers in lower occupational groups, particularly training above and beyond the immediate task. These included increased staff turnover, increasing dissatisfaction with boring and menial jobs, and the raising of unrealistic expectations (about opportunities for progression, for example) (Metcalf, Walling and Fogerty, 1994).

These problems show through in research on employer attitudes towards Individual Learning Accounts (ILAs), to which the government hopes employers will be willing to contribute. Work by Corney suggests that many employers, especially in SMEs, may be reluctant to invest in this way and would prefer to commit any additional training expenditure to support enhanced job-specific skills (Corney, 1997; Corney, Jones and Maxted, 1998).

This situation, coupled with the more general fact that in the main recent improvements in the UK workforce's stock of skills and qualifications has arisen from

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the efforts of the education system rather than employer investment (Skills Task Force, forthcoming), means that there is plainly a major discontinuity between the policy rhetoric of an employer-led training system and skills revolution and reality, at least as it applies to many of those at the bottom end of the labour market. National policy makers' method of choice for dealing with this situation has generally been to continue to deploy the same rhetoric but to gradually shift the underlying emphasis of action, investment planning and expectations towards the state (mainly via the education system) and the individual (Keep, 1997). Less and less is actually being expected of employers.

There is not space here to go into this issue in great detail - the author intends to develop the argument in another article. For the purposes of this paper, the example of the Skills Task Force's (STF) recommendations will suffice. The STF was established by the Secretary of State for education and Employment to investigate the extent and causes of skill shortages in the economy. It has been chaired by the director general of the British Chambers of Commerce and has a membership covering the leading national UK employer confederation (the Confederation of British Industry), trade union representatives, employers, a member of the Bank of England Monetary Policy Committee, and education and training suppliers (both public and private). Faced with strong evidence that current approaches to adult training mean that a substantial minority of the adult workforce are receiving little training, and that narrowly task-focused, STF members were unable to agree on the scale and nature of the problem and fell into what proved unproductive arguments about the value of case for a stronger statutory obligation to train on employers (STF, 2000:61-2). Unable to reach any consensus on this point, the STF fell back upon public funding and individual responsibility to fill the gap. The result were recommendations that "all adults who do not hold a qualification at level 2 or above should be entitled to the opportunity of achieving one through the publicly-funded education and training system" (STF, 2000:7); coupled with income contingent loans to individuals to help cover income lost through time off from work to study; and a range of measures to encourage small firms to improve their training practices, work organisation and the skills of their managers.

Although the STF talk about a new framework of workplace learning "placed in the context of a set of principles governing the roles and responsibilities of the different parties" (STF, 2000:47), relatively little is actually being required from employers. For instance, in respect of delivering its central recommendation, the publicly-funded universal Level 2 entitlement, the STF goes no further than saying:

> We hope that employers will play their part in making a reality of our proposals by being flexible in allowing time for study wherever possible.....we encourage employers to consider the benefits to themselves of allowing their employees to take up opportunities to learn.....we recognise that allowing time off may be difficult, particularly for firms with small workforces, and that it may not happen in all cases.

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(STF, 2000:50)

Thus, rather than confront the issues and try to thrash out policies that might directly address employer attitudes towards adult training and lifelong learning and the structural factors that condition these, the STF instead chose to paper over the disagreements and to request the state to step into the vacuum. While this denouement may reflect a certain weary realism, it also suggests a worrying inability to get to grips with the root causes of a 'wicked problem' and a tendency to take the easy way out. Boosting the supply of skills in the adult workforce via the expenditure of substantial sums of public money is certainly possible, but ensuring that these skills are put to productive use is far less easy.

THE UNDERLYING CAUSES OF THE PROBLEM

As the author has argued elsewhere (Keep and Mayhew, 1998), the problems outlined above with the levels, intensity and coverage of training activity in the UK are, on the whole, not an aberration or the result of stupidity on the part of employers. The training currently being provided, broadly speaking, represents what employers deem their workforce needs to know. As the research undertaken in support of the STF demonstrates (STF, forthcoming), aside from a few occupations such as IT, there are limited signs of massive immediate shortfalls in the skills required by employers. Very often, what are reported as 'skill shortages' turn out to be recruitment difficulties caused by low pay and poor working conditions. Aside from concerns about basic skills (particularly literacy and numeracy), most of the problems identified appeared to relate to workers' attitudes towards their job rather than their skills. Only if many organisations were to undergo a step change in their competitive and product market strategies does there appear to be the danger of major skill shortages. In many sectors and industries, change, where it is taking place, is incremental rather than revolutionary and only modest upskilling is required to cope. Where upskilling is needed, it may also be very unevenly distributed across the workforce and the training needs may be met by relatively narrowly-focussed, task oriented learning opportunities.

That demand for upskilling, or for broader, non-task specific training should be either very limited or wholly absent for a substantial minority of workers, should come as no surprise. It reflects a reality characterised by a number of factors, some deeply embedded in Anglo-Saxon notions of management, which limit the development and spread of the type of 'high performance workplace' (characterised by high trust, high involvement, high discretion relationships and requiring high levels of skill) that the OECD and European Union have seen as driving demand for lifelong learning (Industrial Relations Research Unit, 1997; Applebaum and Batt, 1994; Cappelli et al, 1997; Cully et al, 1999; Bach and Sisson, 2000). A number of the most important of these factors are discussed below.

Product Market and Competitive Strategies.

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These, particularly in the service sector, are frequently aimed at delivering a relatively narrow range of more or less standardised goods and services, often of relatively low spec, delivered through neo-Fordist systems of production and strongly associated with Taylorised forms of work organisation and job design. In these circumstances, the 'quality' in the services and products is deemed to rest in consistent delivery to a relatively low specification, rather than high levels of genuine customisation and specification. In many organisations (Dench et al, 1998) consistency and therefore quality is assured through narrowly-defined, standardised tasks and jobs that require limited discretion and skills.

Moreover, despite a policy rhetoric that continues to proclaim that skills are the only source of sustainable competitive advantage for organisations in the developed world, the reality is that firms have available to them a variety of other perfectly viable routes to success (see Keep and Mayhew, 1998). For example, as the merger and acquisition wave in banking, insurance, oil, pharmaceuticals, car manufacturing, the media, advertising and the food and drink industries attests, buying out competitors and reaping economy of scale advantages in a global economy represents a much favoured route to success.

The Underlying Structure of Demand in the UK Economy.

The reasons why many service sector organisations catering to the domestic UK market have opted for the kinds of price-leadership, standardised, low spec product market strategies outlined above need to be understood. Companies are not acting irrationally. The structure of income and demand in the UK mean that there is a large market for goods and services sold largely on the basis of low price. Official data on incomes in the UK suggest that, at best, perhaps the top 30 per cent of the population have an income sufficient to buy high value added, customised goods and services on a regular basis. For the other 70 per cent, except for occasional treats, patterns of consumption will perforce be guided by price (see Keep, 2000:10-13).

Links Between Strategy and Training

Training policy makers tend to start with skills and assume that the centrality they afford to skill acquisition is mirrored by those charged with the strategic management of UK organisations. Unfortunately, this is rarely the case. With the exception of a few organisations that are dependent upon highly skilled individuals, such as artistic organisations, software companies and consultancies, the skills of the workforce as a whole are not the starting point for competitive strategies. It is true that the strategic management concept of core organisational competences does emphasise the role of skills and capabilities as providing a unique source of competitive advantage, but these may be held by a relatively small proportion of the workforce rather than the majority (see Keep, 1997).

In most organisations skills are, in strategic management terms, normally third order issues. First-order questions concern competitive strategies, with implications for second-order choices about the work organisation, job design and people management systems. Decisions about training nest within the wider contexts set

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by first and second-order decision making. Therefore, in order to change employers' approaches to providing skills to their adult workers, it may be necessary to first alter competitive strategies and systems of work organisation and people management. Conversely, public policy, by simply acting at a third-order level by further enhancing the supply of skills (often at public expense), may do little or nothing to alter first and second-order priorities and path dependencies.

The Impatience of (Incompetent) Capital

None of the above problems is helped by the constant pressure to maximise short-term financial returns. Anglo-Saxon forms of capitalism prioritise the interests of shareholders over other potential stakeholders in the enterprise, and recent pressures to manage companies in order to maximise shareholder value have heightened the pressure on managers to produce short-term results or else see their company taken over. Changes in the market for capital have tended to reduce the time horizons of large investors, for example pension funds, and to place these investing institutions under exactly the same pressure to maximise their short-term performance (Froud et al, 1999). In a frantic quest to generate ever higher measures of shareholder value, investment portfolios are being churned at an ever greater rate - 40 per cent per annum on the part of UK pension funds in recent years (*The Guardian*, 9 May 2000) - thereby rendering any longer term relationship between institutional investor and the company being invested in near impossible. This in turn suggests that investors are less and less liable to be able to develop any deep understanding of the firm and its strategies, or the underlying markets it is operating in. All that matters, because it is all that can be measured and understood, are short term financial metrics. As Froud et al put it, those who are party to the debate about measuring shareholder value "share a concept of the firm as a bundle of investment projects....in micro terms, the capital market is the more or less exclusive focus of interest with little reference to product or labour markets (1999:16).

These developments create a situation hostile to the development and/or sustainability of 'competent' capital that can underpin successful inter-firm networks and industrial clusters wherein enhanced workforce skills are important (Maskell et al, 1998). At the same time, the impatience of capital for results and payback on investment in skills "increases the probability of employers suffering from 'managerial opportunism' that emphasises short-run rewards directed to stock market performance and the satisfaction of investors" (Betcherman and Chaykowski, 1996:31). Thus, even if, in the long term, broader learning opportunities focused beyond the immediate need and offered to all employees might produce a workforce able to adapt more readily to change, to innovate and to produce results, the general inability of managers to prove (either to themselves or to shareholders) that such an investment will definitely produce measurable and predictable returns over a given period of time tends to discourage firms to invest in this way. The tying of senior management rewards to stock market performance (through share options) and the use of performance related pay for middle and junior managers that defines one element of performance as cost minimisation, only serves to reinforce this problem. In a world where you can only manage what you can measure (and quantify a return

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on), investment in non-task specific training for lower status employees is not normally going to be a major priority.

A Snapshot of Current Employer Demand for Skills

The cumulative effect of the issues sketched in above needs to be underlined. At aggregate level, employers' conceptions of the skills the majority of their workforces need ought to be a source of very serious concern to policy makers. Two examples are offered here.

First, data from the 1997 Skills Survey (Ashton et al, 1999) shows that the following percentage of workers believed that their employer required no qualifications whatsoever from applicants that might fill the job which they currently held:

Manufacturing -	35.5 per cent
Construction -	22.6 per cent
Wholesale -	57.0 per cent
Hotels -	43.0 per cent
Transport -	32.7 per cent

Overall, 31.4 per cent of workers believed that their employer required no qualification of any sort from applicants for posts similar to those they currently held. At the same time, about one third of respondents to the survey appeared to be over qualified for their current job and to hold qualifications that were at a level higher than those required by their employer.

The second vignette comes from the 1998 Workplace Employee Relations Survey (WERS). Despite the endless rhetoric about the need for dramatic upskilling across the entire workforce in order to cope with competitive pressures, data from WERS indicates that managers in many organisations believe that large sections of their workforce require limited skills. Companies were asked what percentage of their non-managerial employees could be regarded as 'skilled' (i.e. having professional, associate professional and technical, or craft and related status). The proportion of workplaces indicating that less than one quarter of their non-managerial workforce was skilled was as follows:

Manufacturing -	44 per cent
Electricity, Gas & Water -	10 per cent
Construction -	31 per cent
Wholesale and Retailing -	80 per cent
Hotels and Restaurants -	82 per cent
Transport -	75 per cent
Financial Services -	80 per cent
Other Business Services -	30 per cent
Public Administration -	58 per cent
Education -	2 per cent
Health -	55 per cent
Other Community Services -	53 per cent

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SOURCE: Cully et al, 1999:31-32)

In Wholesale and Retailing, 40 per cent of workplaces believed that they employed no skilled non-managerial employees. In Financial Services this figure was as high as 57 per cent.

It is more or less irrelevant if these figures represent the real skills of the workforces in question. The fact that managers believe that the distribution depicted above is real will influence how training is planned and distributed.

The Need for a Different Basis for Policy Towards Involving Employers in Adult Training

The foregoing suggests that a different type of skills strategy is required at national level, without which the chances of employers delivering in any substantial way on lifelong learning for all in the workplace are slim to non-existent. Such a strategy would turn existing policy on its head, and, instead of assuming that the key to the desired 'skills revolution' is the supply of more skills, concentrate on stimulating demand for higher levels of skill, through seeking to upgrade product market strategies, enhance product and service quality and specification, and re-design jobs and work organisation so as to minimise dead end, low skill jobs and maximise the opportunities for the entire workforce to both acquire and utilise higher levels of learning and skill. For examples of outlines of such an approach to policy, see Keep and Mayhew 1995; and Keep, 2000.

Going back to the STF's recommendations for a universal, publicly-funded entitlement to training to Level 2, without wider change towards the type of competitive strategies, and resultant styles of work organisation and job design that might maximise the competitive advantage of a more highly skilled workforce, this may produce fewer results than expected. Providing, at tax payers' expense, a better trained workforce to fill low skill, dead end jobs is not a good investment of scarce resources.

Moreover, survey evidence on employers' attitudes towards adult learning suggests "a general consensus that any training taken without the [employing] organisation's support would generally be unlikely to enhance the employee's prospects within the organisation" (Tremlett and Park, 1995:10). This is of importance because there is strong evidence to suggest that adult skills that are not used on a regular basis tend to atrophy and become lost (Krahn, 1997). Policies that disengage the link between skill supply and skill deployment and usage in the workplace are liable to produce at best sub-optimal results, both for society and for individuals.

Current policy debates about encouraging employers to do more are locked into an unproductive debate about the efficacy of statutory training levies (see Keep, 1999; STF, 2000). We need to move beyond this argument and to start to conceive in terms of training policy that seeks to stimulate employers' demand for adult skills as well as addressing issues concerning skill supply.

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PROBLEMS, COMMENTS AND CONCLUSIONS

This paper has suggested that there have been, and will continue to be, major problems with expecting the majority of UK employers to make any widespread or sustained contribution on a voluntary basis to lifelong learning, especially for those at the lower end of the occupational hierarchy That this should be the case ought not to be a surprise, though it undoubtedly comes as such to those many policy makers who have fallen into the trap of wishful thinking or of believing their own rhetoric.

Within the context and confines of the Anglo-Saxon model of capitalism and corporate governance, with its over-riding priority on the maximisation of short-term shareholder value and its general absence of any strong sense of any countervailing stakeholders, the ability of companies to deliver wider social goals will necessarily be sharply constrained. In the public sector, the dominant need to constrain costs in order to allow a low tax economy means that public services have increasingly come to be managed on private sector lines, with the contracting out of services, 'best value' and 'efficiency gains' acting as the equivalent of shareholder value.

These pressures become all the more acute within a highly de-regulated labour market, where there is no statutory imposition of any duty on employers to support lifelong learning (as in France), nor any statutory form of co-determination or participation (as in Germany). Indeed, the UK system, as currently constituted, affords only a minimal role to any form of social partnership on skills issues. The result is an almost complete absence of any framework of pressures on companies from other stakeholders that might counterbalance the tendency towards myopic short-termism in dealing with investment in skills.

The first report of the Skills Task Force highlighted what is perhaps the most fundamental dilemma facing any training system that operates on a voluntary basis. Examining future skill needs, the STF argued that, "it will not be enough to simply meet the needs of our current business base - in order to achieve our aspirations for the whole economy, we must 'keep ahead of the curve' (STF, 1998:12). Furthermore, the Task Force members also recognised that:

> we think it would be a mistake to treat the current demands of employers and individuals for skills as coterminous with the needs of the economy.....the demand from individuals and employers is conditioned by the current structure of the incentives they face and the information they have about education and training opportunities and their economic benefits. It cannot be assumed that these necessarily reflect the wider needs of the economy for economic growth and stability.
> (STF, 1998:33)

Unfortunately, in the absence of adequate regulatory sticks and carrots or other external pressures to alter employers' perceptions of the need to train or to focus

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their attention on the long term, the current situation means that much employer provided training will be of a type, level and distribution that falls below what is socially optimal. By refusing to confront and address this issue, the government has ensured that employees' motivation to obtain, and access to, upskilling remain "dependent on the 'progressiveness' or otherwise of their employer" (Labour Party, 1996:3). As most employers have sound reasons (short term cost minimisation/profit maximisation) not to be 'progressive', the results for many employed adult employees are potentially disastrous.

This situation, and the serious inequalities of opportunity that result, have a number of implications for both social equity and economic efficiency. First, the failure of many employers to offer more than a sub-section of their workforce broader opportunities for up and re-skilling renders the rhetoric about employability as the basis for a new psychological contract between employers and employees empty of meaning. Second, current patterns of adult training provide evidence that the universal adoption of the high performance workplace model remains a very long way off in large swathes of UK employment. Third, those most at risk of unemployment - the least educated and skilled among the adult workforce - are those who will almost inevitably receive the lowest investment in employer-provided education and training. Finally, as Stern and Sommerlad (1999:xiv) note, "a commitment to learning at work is as much a statement of values, an assertion of the kind of society that people will want to live in, as an economic imperative. It implies a preference for a more inclusive society". Despite New Labour's priority on tackling social inclusion, making this a reality in the arena of workplace training remains a distant goal while current policies pertain.

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* Due to an administrative error, the DfEE published an earlier draft version of the text of STF Research Paper 15 rather than the final version, with the result that a number of sections of the paper and key references are missing. A copy of the full text of this paper can be obtained from the author.

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Colloquium Paper
Learning Organisations, Lifelong Learning and the Mystery of the Vanishing Employer

Organisation/Affiliation
Has a BA in Modern History and Politics (London University) and a PhD in Industrial Relations (Warwick University).

Between first degree and doctorate, he worked for the Confederation of British Industry's Education, Training and Technology Directorate.

Since 1985 he has been employed at the University of Warwick, firstly in the Industrial Relations Research Unit (IRRU), and, since 1998, as deputy-director of a new ESRC centre on Skills, Knowledge and Organisational Performance (SKOPE). SKOPE is based jointly at Warwick and Oxford universities. It exists to probe the links between skills and organisational performance and can call on a large network of researchers across a range of disciplines (economics, industrial relations, education, labour market studies, continuing education, management) at both institutions as well as other universities in the UK and abroad.

- member of the Working to Learn Group
- Fellow of the Royal Society of Arts
- participant in a number of Institute of Personnel and Development groups on skills
- has contributed to the work of the DfEE's Skills Task Force Research Group

Interests in Life Long Learning

Research has always centred on national skills policy formulation and its rationale

Has written (with Ken Mayhew) about how a learning society might be defined, and also about the weaknesses of an over-emphasis upon the individual in promoting lifelong learning

As part of the STF's research programme, attempts to define the nature of the proble with regard to employer provided learning opportunities for the adult workforce

Keep has published extensively on UK vocational education and training policy, work-based learning for the young, the links between skills and competitive strategy, and the learning society and learning organisation.

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